

6 FAM 230 DOMESTIC PERSONAL PROPERTY MANAGEMENT

(TL:GS-59; 10-01-1999)

6 FAM 231 GENERAL

6 FAM 231.1 Purpose

(TL:GS-49; 05-15-1997)
(State Only)

These regulations prescribe policy, principles, responsibilities, and related requirements for management, accountability, utilization, maintenance, reporting and disposal of all personal property owned or leased by the Department and located in Washington, D.C. and domestic field offices.

6 FAM 231.2 Authorities

(TL:GS-49; 05-15-1997)
(State Only)

a. General Accounting Office Policy and Procedures Manual for Guidance of Federal Agencies, Title 2, Chapters 2, 3, and 4, and Appendices I and II.

b. Guidance as provided in the Federal Administrative Services Act of 1949, as amended.

6 FAM 231.3 Assistance with Clarification or Exceptions to Regulations

(TL:GS-59; 10-01-1999)
(State Only)

Direct written requests for interpretation, clarification, or exceptions to these regulations should be directed to: Chief, Property Management Branch, *A/LM/PMP/BA/PM*.

6 FAM 231.4 Compliance with Property Management Regulations

6 FAM 231.4-1 Compliance Monitoring

(TL:GS-59; 10-01-1999)
(State Only)

a. Compliance with these regulations shall be monitored through the following means:

(1) Property Management Report (*Form DS-1875*) which includes the Certification of Inventory Reconciliation and Regulations Compliance Report;

(2) Vulnerability Assessments by the Department's Management Control Program Coordinator (FMP/FM/PAE);

(3) On-Site Property Management Reviews by the Property Management Staff (*A/LM/PMP/BA/PM*); and

(4) Office of Inspector General visits.

b. Evidence of noncompliance with property regulations as determined by any of these monitoring actions will be brought to the attention of the Agency Property Management Officer, Director of the *Office of Program Management and Policy (A/LM/PMP)*.

6 FAM 231.4-2 Compliance Enforcement

(TL:GS-59; 10-01-1999)
(State Only)

(A) Notification of Noncompliance

The Agency Property Management Officer, Director of the Office of *Program Management and Policy (A/LM/PMP)* shall notify the appropriate accountable property officers (APO) of all reported instances of noncompliance with regulations. On receipt of this notice, the APO must initiate immediate remedial action and, within 60 days, report actions taken to the Agency *property management officer*.

(B) Notification to Management Noncompliance

Repeated or serious instances of noncompliance, failure to take remedial action, or false certification to either the annual Regulations Compliance Report or the Certification of Inventory Reconciliation, shall be referred to the appropriate bureau *assistant secretary* by the Assistant Secretary for Administration for appropriate action.

(C) Penalties for Noncompliance

a. Offices that fail to fulfill their requirements under these regulations shall be subject to withdrawal of program funds (Object Class 3100) for the acquisition of nonexpendable personal property until discrepancies are corrected.

b. Individuals who fail to fulfill their responsibilities under these regulations or falsely certify either the annual Regulation Compliance Report or the Certification of Inventory Reconciliation may be subject to administrative sanctions as described in 3 FAM.

6 FAM 232 DEFINITIONS

(TL:GS-59; 10-01-1999)
(State Only)

a. **Accountable property:** Nonexpendable personal property in use with an acquisition cost of \$1500 or more; all expendable and nonexpendable personal property in stock inventory, regardless of cost; serially numbered office equipment with an acquisition cost of \$500 or more; leased property, regardless of cost; and accountable property on loan.

b. **Acquisition cost:** The acquisition cost of personal property is the cost of the item plus any transportation charges, handling and storage costs, labor and other direct or indirect production costs (for goods produced or constructed) and outside services for designs, plans, or specifications, billed from any source.

c. **Administrative property:** Basic common use furniture, furnishings, and equipment usually available through normal supply channels (e.g., desks, chairs, office machines, sofas, etc.).

d. **Board of survey:** Acts on cases involving missing, damaged, or destroyed U.S. Government property.

e. **Capitalized personal property:** Nonexpendable personal property that has an invoice cost of \$25,000 or more per item and an estimated service life of *two* years or longer which must be capitalized and reported in the Department's financial statements. All motor vehicles are capitalized, regardless of cost. ADP software with expected useful life of *two* years or longer, purchased from outside the agency, with an invoice cost of \$100,000 or more is capitalized. ADP software developed within the agency by direct-hire or contract employees shall be capitalized if the expected useful life is *two* years or longer and the cost of direct-hire or contractual services exceeds \$250,000, excluding software maintenance costs.

f. **Expendable personal property:** Property which, when put in use, is consumed, loses its identity, or becomes part of another item of property. Examples are office supplies, automobile tires, machine parts, and desk trays.

g. **Hazardous property:** Material consisting of explosives, flammables, corrosives, combustibles, oxidizers, poisons, toxins, sources of ionizing radiation or radiant energy, biological and radiological, magnetic, and compressed gases, which, because of their nature are dangerous to store or handle and present real or potential hazards to life and/or property.

h. **Invoice cost:** The total of the amount paid to the vendor, including related costs such as transportation or installation, included on the vendor's initial invoice.

i. **Nonexpendable personal property:** Property which:

(1) Is complete in itself;

(2) Does not lose its identity or become a component part of another item when used; and

(3) Is of durable nature with anticipated useful life of over *two* years. Examples are furniture, office machines, ADP equipment, and communications equipment.

j. **Personal property:** Includes such things as furniture, equipment, or supplies. It refers to all property not otherwise classified as land, land improvement, buildings, and structures that are normally referred to as real property.

k. **Program property:** Program property is accounted for by the funding organization. When program property at post is centrally controlled and accounted for by a headquarters or bureau, the PMO at post shall designate a custodial officer for such property. Custodial responsibility for security and communications equipment is inherent in the role of the security officer and the *information management officer*. The custodial officer shall be responsible for the conduct of physical inventory at the post and for coordinating reconciliation with the controlling office or bureau. If supplemental property records are maintained at the post, these records shall be reconciled to agree with the central property records.

l. **Reconciliation:** Action taken to rectify discrepancies between the physical inventory and the accountable property records.

6 FAM 233 RESPONSIBILITIES

6 FAM 233.1 Separation of Duties

(TL:GS-49; 05-15-1997)
(State Only)

A sound internal control system must assure that no individual is in the position to control all aspects of a transaction and the separation of key functions and duties is a prime means of assuring this. However, circumstances sometimes prevent management from achieving complete separation. In these cases, it is important that other internal controls be implemented. In the absence of desired separation, more frequent management reviews (at least twice a year) should be conducted. The duties that are to be separated are procurement, receipt, physical inventory, and property records maintenance.

6 FAM 233.2 Signing Authority

(TL:GS-49; 05-15-1997)
(State Only)

a. Authority to sign requests for supplies and equipment is vested in heads of organizational units having rank equivalent to division chief or higher. An officer with signing level rank may delegate signing authority to an employee of branch level or comparable rank, if the employee reports directly to the delegating officer. The delegation must be in writing and a copy kept on file.

b. A principal custodial officer (PCO) or the accountable property officer APO must sign property disposal documents initiated by an area custodial officer (ACO).

c. The APO must sign property disposal documents initiated by a PCO.

6 FAM 233.3 Employees

(TL:GS-59; 10-01-1999)
(State Only)

Each employee is responsible for the custody and effective utilization of U.S. Government property issued for that employee's use and may be required to reimburse the U.S. Government if it is damaged, lost, or destroyed as a result of negligence, improper use, or willful action on the employee's part. If a contract employee is involved, refer to FAR 45.504. Employees will not be held financially liable for loss, damage, or destruction attributable to inexpert use, inadequate supervision, or inherent defects in the property. Each employee must immediately provide the ACO with a written explanation.

tion (Form DS-310) of the circumstances surrounding any missing, damaged, or destroyed property issued for that employees use.

6 FAM 233.4 Agency Property Management Officer

(TL:GS-59; 10-01-1999)
(State Only)

The Director, Office of *Program Management and Policy (A/LM/PMP)* is the designated Department of State Property Management Officer (PMO) and is responsible for establishing policy for management and control of the Department's personal property, conducting property management program reviews, developing and implementing property management regulations and procedures, and providing guidance in areas of property accountability, inventory management, property utilization, receiving, and disposal.

6 FAM 233.5 Accountability Responsibility

6 FAM 233.5-1 Responsibilities

(TL:GS-59; 10-01-1999)
(State Only)

a. The APOs have the responsibility to account for property and the appropriate documentation of all transactions affecting personal property on hand, received, and disposed of by their accountable areas.

b. Control and record keeping of the property may be delegated to custodial officers with responsibilities for property within specific areas or for specific types of property. Such delegations must be in writing and clearly define responsibilities.

6 FAM 233.5-2 Administrative Property

(TL:GS-49; 05-15-1997)
(State Only)

The executive director of each bureau or office is accountable for all administrative nonexpendable personal property of that bureau or office located in Washington, D.C. and its domestic field offices. If the organization does not have an executive director, a senior administrative official, who reports directly to the Assistant Secretary or equivalent, shall be the APO.

6 FAM 233.5-3 Program Property

(TL: GS-59; 10-01-1999)
(State Only)

The *assistant secretary* shall designate, in writing, an APO for program property. The accountable officer will ensure that PCO and ACO responsibilities for program property at the local level have been established, in writing, and that written procedures are in place.

6 FAM 234 CONTROL OF EXPENDABLE PROPERTY

(TL:GS-49; 05-15-1997)
(State Only)

It is incumbent upon the APO to see that adequate controls are placed on expendable supplies. Internal procedures shall ensure that a single individual, with an alternate, is designated to control supplies.

6 FAM 235 CONTROL OF NONEXPENDABLE PROPERTY

6 FAM 235.1 Use Standards

6 FAM 235.1-1 Office Furniture

(TL:GS-49; 05-15-1997)
(State Only)

a. Office furniture shall be limited to the least expensive furniture that meets minimum requirements and shall not be upgraded solely for appearance or decor.

b. The quantity of furniture shall be the minimum necessary to meet requirements.

6 FAM 235.1-2 Typewriters

(TL:GS-49; 05-15-1997)
(State Only)

Typewriters that are not used regularly shall be shared to the extent practical.

6 FAM 235.1-3 Draperies

(TL:GS-49; 05-15-1997)
(State Only)

The assignment of draperies is limited to the deputy assistant secretary level and higher.

6 FAM 235.2 Property Replacement

6 FAM 235.2-1 General

(TL:GS-59; 10-01-1999)
(State Only)

Replacement standards, which predict the life span of nonexpendable property, shall be the basis of an orderly, balanced, cycle of property replacement. Items that have reached their estimated life span shall be inspected to determine whether replacement is actually necessary. Items in good working condition shall be retained even though standards permit replacement, unless technology advancement necessitates replacement.

6 FAM 235.2-2 Replacement Standards

(TL:GS-59; 10-01-1999)
(State Only)

a. Electronic office machines (e.g. calculators and accounting machines) may be replaced after the expiration of the warranty period if the estimated one-time repair cost exceeds 80 percent of the replacement cost of a comparable new model.

b. Office machines may be replaced under the following conditions, provided a written justification supporting such replacement is retained in the procurement files:

(1) Where there is a continuing history of breakdowns with a corresponding loss of productivity through downtime;

(2) When the cumulative repair costs on a machine appear to be excessive; or

(3) When machine lacks essential features required in the performance of a particular task that is continuing in nature.

6 FAM 235.3 Utilization

(TL:GS-49; 05-15-1997)
(State Only)

Utilization is the measurement of the use of both supplies and equipment in comparison with established standards. U.S. Government property shall be protected against waste and shall be used for official purposes only.

6 FAM 235.3-1 Employee

(TL:GS-49; 05-15-1997)
(State Only)

a. Employees shall notify immediately the ACO of any missing or damaged property.

b. Employees to whom property is assigned shall ensure that repairpersons are authorized to remove property from the building for repairs, before releasing property to them and will inform the office supervisor when it is necessary for the property to be removed, so that a property pass can be obtained.

6 FAM 235.3-2 Surveys

(TL:GS-49; 05-15-1997)
(State Only)

The ACO shall conduct periodic property surveys to assure care and maximum use of property; to ensure that property is used for official purposes only; and to identify property for reassignment within the organization or report to A/OPR/ST/SD/SSC as excess. These surveys shall be accomplished at least semiannually and a memorandum to the file is prepared confirming that a survey was taken and the date taken.

6 FAM 235.3-3 Preventive Maintenance and Repair

(TL:GS-59; 10-01-1999)
(State Only)

a. Preventive Maintenance:

(1) Employees who operate or use equipment shall be charged with the responsibility of giving proper daily care and of promptly bringing to the attention of the proper personnel the need for service and repairs. Machines shall be cared for in accordance with the manufacturer's recommendations;

(2) The determination as to whether an annual maintenance contract should be established for the servicing of office machines or whether servicing should be on a per-call basis shall be made in each case after comparison of the relative cost affecting specific types of equipment.

b. Repair The APO shall ensure that a system is established to document the cost of repair of personal property costing \$25,000 or more per item and to capture data necessary for updating maintenance records.

6 FAM 235.3-4 Property Loan and Charge Out

(TL:GS-59; 10-01-1999)
(State Only)

a. The PCO, or acting alternate, may authorize the loan of nonexpendable property, on a temporary basis, to other bureaus, or for the exclusive use of an employee in the conduct of official business. In the absence of the PCO or the alternate, the accountable property officer authorizes the loan. A definite loan period shall be established and all loans shall be promptly reviewed at the end of the loan period. If a loan extension is requested, it shall require the same approval as the initial loan. Such loans, generally, are not to exceed 30 days and must be documented on Form OF-130, Personal Custody Property Receipt.

b. Small high cost items (e.g. hand-held communicators, portable computers, cameras, tools, etc.) required by an employee's job for a prolonged period should be issued under "charge out" procedure to fix accountability for the item. Such arrangements are approved by the PCO and documented on Form OF-130. A charge out record or file is maintained until the property is returned. The existence and condition of the property must be checked periodically, at least once a year.

6 FAM 235.3-5 Authorization to Remove Property from Buildings

(TL:GS-59; 10-01-1999)
(State Only)

a. When an employee wishes to remove property from the building, authorization in the form of a property pass (*Form OF-7*) must be obtained from the employee's ACO. A property pass must also be obtained for the removal of property taken out for repair and for privately-owned property. The only exception is the removal of property being taken to the A/LM/OPS warehouse or by Department of Agriculture personnel. In these instances, the turn-in document will substitute for the property pass.

b. Property leaving the building via the loading dock must be accompanied by a property pass, bill of lading or manifest identifying the property, person or company removing the property, and its destination.

c. A new property pass must be issued each time property is removed from the premises unless the property pass authorizes daily removals. All property passes must include an expiration date, which shall not exceed 30 days.

d. The uniformed security officers at the exits are authorized to require any individual who is removing U.S. Government or personally owned property to surrender an original valid pass describing the property being removed.

e. The loss of a valid property pass must be immediately reported to the ACO.

6 FAM 235.3-6 Transfer of Property

(TL:GS-49; 05-15-1997)
(State Only)

Transfer of property must be appropriately authorized and documented. The transfer of property to another custodial area is authorized by the PCO. The APO authorizes the transfer of property to another bureau.

6 FAM 235.4 Receipt of Property

(TL:GS-49; 05-15-1997)
(State Only)

a. Signing for incoming property shall be controlled. All property (expendable and nonexpendable) delivered to ordering offices must be inspected promptly and, where necessary, receiving reports prepared. Only ACOs or designated alternates will sign for incoming deliveries of property.

b. If a contract employee is assigned receiving duties, the employee may perform inspection and receiving functions but may not sign the Receiving and Inspecting Report (Form OF-127). Acceptance of property on behalf of a Federal agency is an inherently governmental function that is to be performed only by officers and employees of the U.S. Government.

c. In those instances when delivery from vendor to ordering office is necessary it is the responsibility of the ordering office to verify that the contents of cartons *or* cases are correct, and to sign and forward the receiving copy of the purchase order to the servicing invoice payment office. When the total quantity of an order is received in a single delivery, the receiving report on the acquisition document may be signed and dated and used in lieu of the receiving report (Form OF-127). In this event, property numbers and serial numbers are recorded on the acquisition document. If a partial delivery is made by the vendor, the ordering office will prepare Form OF-127, and forward a signed copy to the servicing invoice payment office. A signed copy of the purchase order or Form OF-127 covering accountable property must be forwarded to the PCO for entry into the NEPA database.

Receiving reports are kept on file for three complete fiscal years. Any discrepancies in the shipment will be reported to the "servicing procurement office."

6 FAM 235.5 Facilities Operations

(TL:GS-59; 10-01-1999)

(State Only)

a. It is the policy of the Department that personal property in any warehouse facility be accounted for at all times, and be protected against loss or damage. It will be the responsibility of the facility manager to assure that effective internal controls are in place to prevent loss from damage, theft, or pilferage during receipt, storage, and shipment of U.S. Government property.

b. Operating procedures shall be issued covering receipt and inspection of personal property to insure that all property received is inspected promptly as to condition and quantity, and that property received is in accordance with the terms and specifications of the procurement document.

c. Operating procedures shall establish a time frame for processing all incoming shipments and include provision for a periodic written status report by receiving personnel, to an appropriate supervisory level, on all material remaining in the receiving holding area beyond the time frame specified in the procedures.

d. Only those individuals so designated may receive and sign for incoming property.

e. Hazardous commodities include explosives, flammable, corrosives, combustibles, oxidizers, poisons, toxins, sources of ionizing radiation or radiant energy, biological and radiological, magnetic, and compressed gases, which because of their nature are dangerous to store or handle. They present real or potential hazards to persons and/or property. Hazardous commodities shall be segregated properly from each other and from other types of supplies (consult A/OPR/SHEM for assistance).

f. An annual physical inventory must be taken and records of quantity and ownership of all property held in the facility must be maintained (including any property set aside to be rehabilitated). Property that has been classified as excess to the needs of the Department and is scheduled for transfer to the USDA within six months of receipt in the facility need not be included in the annual inventory.

g. In a shared facility environment where two or more activities maintain property, the accountable property officers for those activities must ensure that accountability records are maintained. In such a facility, also, an agreement must be reached with regard to the responsibilities of each organization. This shall be accomplished by a memorandum of understanding. All facility activities should be addressed and the memorandum signed by all parties concerned. All parties shall review the memorandum every three years (unless intervening changes dictate an earlier review) and the review shall be documented in the files.

h. Fire Protection:

(1) An emergency plan to assure the safe and rapid evacuation of building occupants must be developed and all personnel thoroughly briefed on the plan. All exits to be used in an emergency must be clearly identified and are not to be blocked, by storage, locks, or bolts, during business hours. Contact the Office of Safety/Health and Environmental Management (A/FBO/SAF/SHEM) for assistance in establishing a plan;

(2) The building must be equipped with smoke detectors that will transmit alarm signals to a 24-hour monitoring system. The detectors should be tested on a monthly basis and the tests documented;

(3) The building should be equipped with manual fire alarm pull stations, a sprinkler system, and fire extinguishers. The fire extinguishers shall be accessible from any point in the building. When fire extinguishers are positioned on the walls, a bright red circle or square bordered by a narrow white stripe shall be used as a background. If they are positioned on posts or columns, a bright red band shall be printed on the floor beneath the location of fire extinguishers to indicate that access to the equipment shall not be blocked. The columns should also be painted to indicate extinguisher locations.

i. Safety: The Department has established a hazardous communication program that provides written guidelines for complying with the Hazard Communication Standard. All activities handling hazardous materials are to contact the Office of Safety/Health and Environmental Management (A/FBO/SAF/SHEM) for a copy of the program and the hazard communication training materials.

6 FAM 235.6 Records Accountability

(TL:GS-49; 05-15-1997)

(State Only)

Accountable property records shall be maintained on expendable and nonexpendable stock inventory and on nonexpendable property in use which meets the accountability criteria prescribed in this regulation.

6 FAM 235.6-1 Criteria for Accountability

(TL:GS-59; 10-01-1999)

(State Only)

(A) Accountability Level

Property records shall be maintained on all nonexpendable personal property in use with an acquisition cost of \$1500 or more. However, records for the following types of property must be maintained regardless of cost:

(1) Property which is sensitive by nature (i.e. items which are attractive for personal use and, therefore, susceptible to theft or misuse) as identified by the APO;

(2) Serially-numbered property with an acquisition cost of \$500 or more; and

(3) All leased property.

(B) Program Property

Program property is accounted for by the funding organization. If supplemental records are maintained at the local level, these records shall be reconciled to agree with the central property records.

(C) ADP and Word Processing Equipment

Non-tempest ADP is considered Administrative Property and shall be included on bureau property records.

6 FAM 235.6-2 Unassigned

6 FAM 235.6-3 Property Records

(TL:GS-49; 05-15-1997)

(State Only)

The Nonexpendable Property Application (NEPA) is the only system approved by the Department for the accountability of administrative type U.S. Government-owned nonexpendable personal property.

6 FAM 235.6-4 Recording Costs

(TL:GS-59; 10-01-1999)

(State Only)

(A) Property Acquired by Purchase

a. Nonexpendable personal property that is acquired by purchase shall be recorded on the property records at full cost, including the following:

- (1) Amount paid to vendor;
- (2) Transportation charges;
- (3) Handling and storage costs;
- (4) Labor and other direct or indirect production costs; and
- (5) Outside services for designs, plans, or specifications.

b. Cost is to be recorded net of purchase discounts whether or not discounts are taken.

c. The cost of property acquired as a result of trade-ins shall be recorded at the lesser of:

- (1) The cash paid and/or liability incurred plus the net book value of the trade-in property; or
- (2) The amount that the purchase price would have been without trade-in.

(B) Property Acquired Through Transfer or Donation

a. If the property has depreciated, the property shall be recorded at the transferors depreciated value, even if the transferor has a different depreciation policy. If the depreciated value is under \$25,000 per item, the property is considered to be non-capitalized property and shall not be depreciated further by the transferee.

b. If the transferor has not recorded depreciation, the property shall be recorded at the transferor's original book value. The transferee shall then record accumulated depreciation equal to the amount it would have recorded if it had originally acquired the property.

c. Donated property shall be recorded at fair market value, including transportation charges or other costs connected with placing the property in use.

d. When the cost of an item cannot be determined, estimate the fair market value at the time acquired.

6 FAM 235.6-5 Capitalized Personal Property

(TL:GS-59; 10-01-1999)
(State Only)

(A) General

Nonexpendable personal property having an invoice cost of \$25,000 or more per item, including all motor vehicles, regardless of cost and an estimated service life of *two* years or longer is to be capitalized and reconciled with the General Ledger.

(B) ADP Software

ADP software with an expected useful life of *two* years or greater, purchased from outside the agency, with an invoice cost of \$100,000 or more, is capitalized property. ADP software which is developed within the agency by direct-hire or contractor employees shall be capitalized if the expected useful life is *two* years or greater and the cost of contractual or direct-hire services exceeds \$250,000, excluding software maintenance costs. The cost of subsequent program modification shall be added to the depreciated capitalized value and, where appropriate, the expected useful life shall be adjusted. Accountability for ADP software developed within the agency will be the responsibility of the organization that developed it.

(C) Lease

Leased property, which would have been capitalized if purchased, shall be capitalized at the full amount to be paid during the life of the lease, if the lease agreement is essentially equivalent to an installment purchase of property.

(D) Program Property

Program property for which accountability has not been delegated will be capitalized by the program office and reported by that office to FMP/F/DFS/DFO/FO/A.

6 FAM 236 PHYSICAL INVENTORY AND ROCONCILIATION

6 FAM 236.1 General

(TL:GS-49; 05-15-1997)
(State Only)

Physical inventories of personal property shall be taken annually and immediately reconciled with the property records. Upon completion of the reconciliation and appropriate approval of any records adjustments resulting from inventory discrepancies, the PCO shall prepare a Certification of Inventory Reconciliation (Part A of Form DS-1875).

6 FAM 236.2 Inventory Reconciliation

(TL:GS-49; 05-15-1997)
(State Only)

a. When discrepancies are found between the physical inventory count and the property records, immediate action shall be taken to resolve the discrepancies.

b. Inventory overages must be documented and added to the property records. Inventory overages do not offset inventory shortages.

c. The PCO shall report all inventory shortages to the APO on Form DS-310, Property Survey Report. In cases involving inventory shortage where the dollar value does not exceed one percent of the expendable inventory value or one percent of the nonexpendable inventory value, the APO may authorize inventory adjustments when satisfied that efforts to reconcile have been reasonable and sufficient. When the value of the shortage exceeds one per cent, the APO shall refer the report to the Property Survey Board.

6 FAM 237 EXCESS PROPERTY

6 FAM 237.1 Nonexpendable Property

(TL:GS-49; 05-15-1997)
(State Only)

a. The ACO shall report excess property to the PCO. If only one custodial officer has been designated, the property is reported to the APO. Any property not reassigned for further utilization is reported to A/LM/PMP/BA/PM.

b. Prior to the removal of excess property from offices by the Department of Agriculture, the property must be cleared of any classified information and Form OF-302 prepared and affixed to each property item requiring inspection.

c. The unit security officer shall reset combinations to the factory standard 50-25-50 for safe-files. Padlocks are to be removed from bar-lock cabinets and the combinations reset to 10-20-30.

d. Arrangements for removal of the property shall not be made until these actions have taken place.

6 FAM 237.2 Expendable Property

(TL:GS-49; 05-15-1997)

(State Only)

Expendable supplies that are excess to the needs of an office are reported to A/LM/PMP/BA/PM on Form DS-1886.

6 FAM 238 REPORTING PROPERTY LOSS OR DAMAGE

(TL:GS-59; 10-01-1999)

(State Only)

a. The ACO must report missing, damaged, or destroyed property to the APO through the PCO within 15 days.

b. The APO or the Property Survey Board, as appropriate, will act on reported instances of missing, damaged, or destroyed U.S. Government-owned personal property. Findings and decisions serve to relieve the ACO of accountability for the property, and to establish whether an employee is personally liable for damaged or missing property. If it is determined that damage resulted from carelessness or negligence, or other fault of an employee, the employee may be required to reimburse the U.S. Government.

c. Employees will not be held liable for loss, damage, or destruction attributable to inexpert use or inherent defects in the property.

d. The liability for damaged property is the cost of repairs (including shipment to and from the place of repair) or the estimated cost of repair if the property is not repaired. The amount of liability for missing or destroyed property is based on the depreciated value (using straight line method) of the item with a minimum liability set at 10 percent of the acquisition cost of the item, except antiques and high-value furnishings which are not depreciated. If an unaccountable property item is involved and the acquisition cost cannot be determined, the fair market value (less any salvage value) is used for reimbursement purposes.

6 FAM 238.1 Implementation

6 FAM 238.1-1 Area Custodial Officer Action

(TL:GS-53; 10-31-1997)
(State Only)

a. Upon the discovery of missing, damaged or destroyed property, the ACO will immediately prepare and submit Form DS-310, Property Survey Report, to the PCO.

b. In the case of stolen property, the ACO will promptly notify the building guard service.

6 FAM 238.1-2 Accountable Property Officer Action

(TL:GS-49; 05-15-1997)
(State Only)

a. In those instances where the acquisition cost of the property is less than \$1,000 per item, the APO will ascertain the facts, determine what corrective actions are necessary, and authorize an adjustment to inventory records. If the employee contests the APO decision, the APO refers the case to the Property Survey Board for action. The APO shall refer all reports on property with an acquisition cost of \$1,000 or more per item, reports involving program property, regardless of cost, or when theft is suspected, regardless of cost, to the Property Survey Board.

b. In cases involving inventory shortage where the dollar value is one percent or less of the expendable inventory value, or of the nonexpendable inventory value the APO shall determine what corrective actions are necessary and shall authorize an adjustment to inventory records. When the shortage exceeds one percent, the report shall be referred to the Property Survey Board.

c. The secretary of the Property Survey Board will forward a copy of all survey actions involving inventory shortages exceeding one percent of the total value of the inventory to OIG/INV, immediately upon receipt of the report from the APO.

6 FAM 238.2 Property Survey Board

6 FAM 238.2-1 Composition

(TL:GS-59; 10-01-1999)
(State Only)

The permanent membership of the Property Survey Board consists of the Director, Office of *Program Management and Policy*, as Chairperson; a representative from the Bureau of Administration Executive Management

Staff, as Secretary; and a staff accountant from the Office of the Comptroller designated by the Comptroller. An attorney from the Office of the Legal Advisor, designated by the Assistant Legal Advisor for Buildings and Acquisitions (L/BA), shall serve in an advisory capacity. Neither the custodial officer nor members of the custodial officer's staff, an individual involved, or immediate supervisor of an individual involved in a survey action shall be a member of the Property Survey Board. If any member is thus ineligible, the *board chairperson* will appoint a temporary replacement for that particular survey action. The *board* may also ask other officers in the Department to sit with the *board* in an advisory capacity. The *board secretary* will arrange for the *board* to meet, and reports will not be normally held more than three months without *board* action.

6 FAM 238.2-2 Purpose

(TL:GS-59; 10-01-1999)
(State Only)

a. The *survey board* will make decisions and take actions on reported instances of loss, damage, or destruction of U.S. Government-owned expendable and nonexpendable personal property having an acquisition cost of \$1,000 or more per item, all reports involving program property regardless of cost, and reports of inventory shortages of one per cent or more of the value of the expendable or nonexpendable inventory.

b. The *board* also serves as a final appeal authority for accountable property officer rulings which are contested by employees.

c. The *board* will examine all evidence presented and will conduct such further inquiry as it deems necessary

d. The APO or the ACO may be invited to meet with the *board*.

6 FAM 238.3 Unassigned

6 FAM 238.4 Employee Appeal

(TL:GS-49; 05-15-1997)
(State Only)

a. On reports handled by the APO, where the decision goes against the employee and the employee contests the decision, the employee may appeal to the Property Survey Board. The decision of the Property Survey Board is final.

b. On reports handled by the Property Survey Board, where the decision goes against the employee and the employee contests the decision, the employee may appeal to the Deputy Assistant Secretary for Operations (A/OPR). The decision of the *deputy assistant secretary* is final.

6 FAM 238.5 Reimbursement by Employee

(TL:GS-49; 05-15-1997)
(State Only)

a. Reimbursement may be made in cash or by a check payable to the Department of State and funds deposited to the appropriate 19F3845 Proceeds Account.

b. If the employee does not consent to reimburse the U.S. Government, the case is forwarded to FMP for collection in accordance with 4 FAM.

c. If payment is received and repair or replacement is made in the same fiscal year, the funds shall be used to offset the expense.

6 FAM 239 REPORTING REQUIREMENTS

6 FAM 239.1 Property Management Report

(TL:GS-59; 10-01-1999)
(State Only)

a. The Property Management Report (*Form* DS-1875) is submitted on a Fiscal-year basis. The APO and the PCO must sign the report and submit it to *A/LM/PMP/BA/PM* by November 1 of each year. If the November 1 deadline cannot be met, the APO shall submit a written request for permission to submit a late report to *A/LM/PMP/BA/PM* prior to November 1 and must include a justification for the delay and a date by which the report will be submitted.

b. If any of the responses in the Regulations Compliance Report portion of the *Form* DS-1875 are negative, the Property Management Report must be accompanied by a memorandum stating what corrective action has been initiated and include a date by which the reporting office will be in full compliance with property management regulations. The office must subsequently send a follow-up memorandum, by the projected compliance date, confirming that the office is in total compliance with regulations.

c. Worldwide Property Accountability System (WPAS) program property: The bureau *executive director* (or equivalent) shall ensure that the *information resource management officer* (or equivalent) completes the physical inventory and reconciliation of all *IRM* program property tracked in the Worldwide Property Accountability System (WPAS).

6 FAM 239.2 Capitalized Property Depreciation Report

(TL:GS-49; 05-15-1997)
(State Only)

Offices shall submit the Capitalized Property Depreciation Report, which is produced by the various automated property accountability systems, to FMP/F/DFS/DFO/FO/A within 15 workdays following the end of the fiscal year. The Capitalized Property Depreciation Report is a report that shows the depreciated value of all nonexpendable personal property that has an invoice cost of \$25,000 or more per item and all motor vehicles, regardless of cost, except automated data processing (ADP) software where the capitalization level began at \$100,000.

6 FAM 239.3 Sale/Exchange Report

(TL:GS-59; 10-01-1999)
(State Only)

NEPA produces the Sale/Exchange Report. The report is to be submitted to A/LM/PMP/BA/PM by November 1 of each year.